

AT&T stockpiles more 700MHz spectrum

Meanwhile, Verizon's TMo deal softens opposition to its AWS plans, but MetroPCS still has concerns

Despite the problems of fragmentation in the US 700MHz band, carriers are still jostling to increase their holdings. AT&T is the latest to move, buying licences from a firm called 700MHz LLC.

Subject to FCC approval, AT&T will get two Lower C Block licenses, which cover areas of Missouri. "The additional spectrum will enable AT&T to increase its system capacity to enhance existing services, better accommodate its overall growth, and facilitate the provision of additional products and services," the carrier said in its FCC filing.

The carrier is also waiting for the green light to acquire eight Lower B Block licences from Cox Communications covering areas on the East Coast, including cities in Florida and Virginia; and four Lower C Block assets from Peoples Telephone Cooperative covering locations mainly in Texas.

AT&T is building its network in B and C Block spectrum, and keeping its A Block licences, controversially, as a guard band against claimed interference from TV signals (which means it cannot roam with A Block roll-outs by smaller operators).

However, it may change its stance if it purchases A and B Block assets, which Verizon is promising to sell off, should its spectrum deal with four cablecos be approved. Verizon's own LTE network

is in the Upper C Block, the only nationwide 700MHz slice in the US.

Although the offer to offload other 700MHz holdings was designed to reassure regulators that its cable deal - to purchase AWS licences from four partners - would not concentrate too much spectrum in Verizon's hands, a more compelling concession came when it agreed to sell some of the AWS assets on to T-Mobile. This has significantly increased the chances of the cableco/Verizon transaction gaining FCC approval, though there are still said to be competition concerns at the Department of Justice, because the parties are also engaging in cross-marketing agreements.

However, the TMo pact has softened opposition to the plans. In filings with the FCC, MetroPCS and the Rural Cellular Association applauded the suggested spectrum swap in 218 markets across the country. However, MetroPCS said that the swap was not enough, and added claims that Verizon would be likely to warehouse spectrum. It also asked the FCC to conduct a market-by-market analysis of the impact on competition of Verizon's proposed spectrum purchases. Even with the sale to T-Mobile, the carrier will still hold 20MHz of undeveloped spectrum throughout most of the US and up to 40MHz of unused spectrum

in major markets, said the smaller carrier.

The RCA said that the TMo deal would only partially solve that cellco's spectrum shortage, and that the plan does nothing to resolve similar spectrum concerns for other rural operators. It wants the FCC to insist that Verizon divests usable spectrum to other operating entities and to mandate interoperability on the divested 700MHz spectrum.